

Message Text

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ACTION ARA-14

INFO OCT-01 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
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R 172057Z FEB 78
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 4605
INFO USMISSION GENEVA

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USMTN

E.O. 11652: N/A
TAGS: ETRD, MTN, AR
SUBJECT: DEVELOPING COUNTRIES IN THE MULTILATERAL TRADE
NEGOTIATIONS

REF: (A) STATE 24987 (B) GENEVA 2090 (C) BUENOS AIRES 1006

1. EMBOFFS MET WITH SUBSECRETARY FOR FOREIGN TRADE SANGENIS
ON FEBRUARY 10 TO MAKE APPROACH OUTLINED IN REFTEL A AND TO
REVIEW OTHER BILATERAL TRADE ISSUES. SANGENIS HAD JUST HAD
REPORT FROM BOCHERT, WHO HE SAID IS HIS MAN IN GENEVA,
CONCERNING THE U.S.-ARGENTINA MEETING FEBRUARY 7 WHICH SAID
THAT THE MEETING HAD GONE WELL BUT WAS SHORT ON DETAIL. WE
HAD NOT YET RECEIVED REFTEL B AND WERE THEREFORE UNABLE TO
GIVE HIM OUR VERSION OF THE TALKS.

2. SANGENIS' MAIN CONCERN WAS, AS IN THE CASE OF MUSACCHIO
(REFTEL C), THAT CURRENT ARGENTINE TRADE LIBERALIZATION
EFFORT BE COUNTED AS AN MTN CONTRIBUTION. HE WAS DISAPPOINTED
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AT THE APPARENT CONCESSION BY THE U.S. TO THE EC POSITION ON
COARSE GRAINS. SANGENIS COMPLAINED THAT THE US
CONTINUES TO BE INFLEXIBLE IN DEALING ON A BILATERAL
BASIS WITH KEY TRADE ISSUES SUCH AS SPECIALITY STEEL
QUOTAS AND COUNTERVAILING DUTY INVESTIGATIONS ON LEATHER
FOOTWEAR AND GARMENTS. WE REMINDED HIM THAT NO
RESTRICTIVE ACTION HAS BEEN TAKEN AS YET AS A RESULT OF

THE ONGOING AND COMPLETED INVESTIGATIONS ON SHOES AND LEATHER ARTICLES, BUT HE SEEMED TO ASSUME THAT UNFAVORABLE ACTIONS ARE A FOREGONE CONCLUSION. HE WENT ON TO SUGGEST THAT THE CONTINUATION OF WHAT HE CONSIDERED A HIGHLY PROTECTIONIST TREND WITHIN THE EC, AND ON THE PART OF THE US AS WELL, WILL ONLY FORCE ARGENTINA INTO CLOSER TRADE RELATIONS WITH THE EAST BLOCK COUNTRIES, WHERE HE HAD PERSONALLY VERIFIED ON HIS RECENT TOUR OF THE AREA THAT SOME OPPORTUNITY FOR TRADE EXPANSION EXISTS.

3. SANGENIS THEN TOLD EMBOFFS THAT HE WAS RESIGNING FROM HIS PRESENT POSITION (HIS RESIGNATION BECAME EFFECTIVE FEBRUARY 16) AND WAS ASSUMING A POSITION AS SPECIAL ADVISOR TO SECRETARY OF COMMERCE ESTRADA, IN ORDER TO WORK EXCLUSIVELY ON MTN. FROM NOW ON, SANGENIS SAID, ALL DECISIONS ON OFFERS AND REQUESTS WILL BE MADE BY HIS OFFICE, REMARKING THAT THE FOREIGN OFFICE HAS LITTLE TO DO WITH THESE MATTERS. HE REQUESTED THAT THE EMBASSY URGENTLY MAKE AVAILABLE TO HIM CONSIDERABLY MORE DETAIL THAN HE HAS APPARENTLY BEEN ABLE TO GET OUT OF HIS OWN MISSION IN GENEVA REGARDING SPECIFIC U.S. REQUESTS FOR MARKET ACCESS. HE SEEMED TO BE COMPLETELY IN THE DARK ON THIS ASPECT OF THE NEGOTIATIONS, AS WELL AS ON U.S. OFFERS.

4. COMMENT: WE HAVE NO REASON TO DOUBT THAT SANGENIS LIMITED OFFICIAL USE

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WILL CONTINUE TO BE A KEY OFFICIAL HERE IN EXPEDITING AND PROBABLY EVEN DECIDING THE ARGENTINE RESPONSE TO SPECIFIC PROPOSALS. HE APPARENTLY CONTINUES TO BE A KEY MEMBER OF MINISTER OF ECONOMY MARTINEZ DE HOZ' ECONOMIC TEAM. HE MAINTAINS CLOSE RELATIONS WITH THE ARGENTINE BUSINESS AND INDUSTRIAL COMMUNITY FROM WHICH HE COMES. THE FOREIGN OFFICE HAS NO STAFF AND LITTLE EXPERTISE ON TRADE MATTERS AND IS SCARCELY IN A POSITION, AS SANGENIS IMPLIED, TO INSTRUCT AMBASSADOR MARTINEZ IN A DEFINITIVE WAY. WE SEE NO HARM THEREFORE IN ACCEDING TO SANGENIS' REQUEST THAT THE EMBASSY ACT AS A SUPPLEMENTARY CHANNEL OF COMMUNICATIONS, AND SUBJECT TO THE JUDGMENT OF THE DEPARTMENT AND USMTN GENEVA, THE EMBASSY IS PREPARED TO PERFORM THIS FUNCTION.

5. ACTION REQUESTED: INSTRUCTION AND GUIDANCE CONCERNING PARAGRAPH 4.
CASTRO

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